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Opening Statement of Sen. Chuck Grassley
Before the Senate Committee on Finance Hearing on Fuel Tax Fraud
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Thank you, Chairman Baucus, for holding this hearing. As you know this is the latest in a series of our committee's hearings focusing on our concern for "Schemes, Scams and Cons" played on the American taxpayers.

Today we will be hearing witness testimony regarding fuel tax fraud. I am not talking about just moving around a few numbers on a tax return. Today we will be discussing millions of gallons and billions of dollars of missing fuel and missing tax dollars. This problem not only robs the U.S. Treasury, it also robs the American taxpayer. We rely on these tax dollars to fund not only the Highway Trust Fund, which is charged with constructing and maintaining our national transportation system, which includes our highways and public transportation systems. In addition, this also robs money from our Airport Trust Fund.

In light of September 11th, the safety and soundness of maintaining our nation's transportation infrastructure is now more than ever of the utmost importance. These issues are not just tax fraud: not only are we concerned with the tax loss, but where else this money going. Is it being used to fund terrorism? Yesterday this Committee also had a hearing on homeland security, and it has become obvious that a sound system of monitoring transportation and collecting tax on these fuels will ultimately create a safer environment for homeland security.

We need to know where all of this fuel is going. What makes us think that if we cannot find the fuel to collect the tax, that we could find the fuel to stop possible terrorist acts? A missing barge could hold 60 tanker truck loads of fuel. That's about \$200,000 in federal and state excise taxes left uncollected. But what is even more disconcerting is that the same missing barge and its 60 tanker trucks of fuel could be used like the bomber used fertilizer and fuel in Oklahoma City. That cannot happen. Today I hope our witnesses will review the problems, report on the state of enforcement and make recommendations on how to stop fuel tax fraud and put the tax money back in the trust funds.